



Office of Small Business Programs
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Director

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Introduction



It is the declared policy of the Congress that the Federal

Government provide maximum practicable opportunities

in its acquisitions to:

- Small business
- Veteran-owned small business
- Service-disabled Veteran-owned small business (SDVOSB)
- HUBZone small business
- Small Disadvantaged business (SDB)
- Women-owned small businesses (WOSB)

Fiscal Year 2009 GOALS



Public Law 95-507 required Federal agencies to establish small business goals and report these goals to Congress.

- *Small Business* 41.0%
- *SDB* 9.9%
- *WOSB* 3.1%
- *SDVOSB* 3.0%
- *HUBZone* 2.0%

Fiscal Year 2008 Performance



Goals

Actual

• <i>Small Business</i>	27.95%	34.6%
• <i>SDB</i>	8.6%	4.4%
• <i>WOSB</i>	7.08%	3.3%
• <i>SDVOSB</i>	3%	1.4%
• <i>HUBZone</i>	2.33%	.8%
• <i>HBCU/MI</i>	5%	0%

MARKET RESEARCH



- Market research shall be conducted to identify the capabilities, including the capabilities of small businesses, that are available in the market-place.
- The extent of market research will vary, depending on the complexity, estimated dollar value and past experience.
- Types of market research: Requests for Information, sources sought announcements, querying Government-wide databases, past history, presolicitation conferences, etc.

Market Research



- Prior to determining the acquisition strategy, the results of the market research shall be coordinated with AE and the small business office.
- Based on the market research and the recommended strategy – the small business office will either concur or appeal the decision.

Small Business Categories



- **Small Business Concern** – a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts and qualified as a small business under the criteria in 13 CFR Part 121. It must also be small under the specific North American Industry Classification System code for the specific procurement.
- **Service-disabled Veteran-owned small business** – Not less than 51 percent is owned by one or more service-disabled veteran or, in the case of any publicly owned business, not less than 51 percent of the stock is owned by one or more service-disabled veterans.
- **Small Disadvantaged Business** - Not less than 51 percent is owned by one or more disadvantaged individual (Black, Hispanic, Native, Asian-Pacific and Subcontinent Asian Americans)

Small Business Categories



- **8(a) Program** – Section 8(a) of the Small Business Act (15 U.S.C. 637(a)) established a program that authorized the Small Business Administration to enter into all types of contracts with other agencies and let subcontracts to firms eligible for program participation. These subcontractors are referred to as “8(a) contractors.”
- **Historically Underutilized Business Zones (HUBZone)** – Provides Federal contracting assistance for qualified small business concerns located in these areas in an effort to increase employment opportunities, investment and economic development.
- **Women-owned Small Business** – Not less than 51 percent is owned by one or more women or, in the case of any publicly owned business, not less than 51 percent of the stock is owned by one or more women.

Small Business Set-Aside



- A “set-aside for small business” is the reserving of an acquisition exclusively for participation by small business concerns. The prime small business must perform at least 50 percent the work (15% for general construction and 25% for construction by special trade contractors).
- Acquisitions between \$3000 to \$100,000 are automatically reserved exclusively for small business. If a set-aside is not utilized the contracting officer must document the contract file with the reason for the unrestricted procurement.
- Acquisitions over \$100,000 shall be set-aside for small businesses when there is a reasonable expectation that offers will be obtained from at least two or more responsible small businesses and award will be made at a fair market price.

The 8(a) Program



- Section 8(a) of the Small Business Act established a program that authorizes the Small Business Administration (SBA) to enter into contracts with other agencies and subcontract the work to eligible firms – known as “8(a) contractors.”
- Requirements with an anticipated price, including options, not exceeding \$5.5M for manufacturing or \$3.5M for all others may be awarded sole source.
 - Award must be made at a fair and reasonable price.
 - Requirements above these threshold must be competed.
- NOTE: Requirements that have been accepted in the 8(a) program shall remain in the program unless SBA agrees to release the requirement from the program.



The HUBZone Program

- The HUBZone program was created to provide Federal contracting assistance to qualified small business concerns located in historically underutilized business zones, in a effort to increase employment opportunities, investment, and economic development.
- The Small Business Administration certifies HUBZone status, this is not a self certification program. Only SBA can certify this status in Central Contractor Registration (CCR).
- HUBZone set asides: The rule of two applies for set-aside. If market research results in a reasonable expectation of receiving offers from two more HUBZone small business concerns and award will be made at a fair market price - HUBZone set-aside shall be utilized before a small business set-aside or full and open competition.

The HUBZone Program con't



- HUBZone sole source awards: May be utilized if:
 - (1) Only one HUBZone small business can satisfy the requirement.
 - (2) The anticipated price (including options) does not exceed \$5.5 million for manufacturing and \$3.5 million for all others.
 - (3) The award can be made at a fair and reasonable price.
- A Justification and Approval is required IAW 6.302-5.

Service-Disabled Veteran-Owned Small Business Program



- The purpose of the Service-Disabled Veteran-Owned Small Business (SDVOSB) Program is to provide Federal contracting assistance to service-disabled veteran-owned small business concerns.
- SDVOSB set asides: The rule of two applies for set-aside. If market research results in a reasonable expectation of receiving offers from two more SDVOSB concerns and award will be made a fair market price SDVOSB set-aside may be utilized before a small business set-aside or full and open competition.

UNCLASSIFIED Service-Disabled Veteran-Owned Small
Business Program
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- SDVOSB sole source awards: May be utilized if:
 - (1) Only one SDVOSB small business can satisfy the requirement.
 - (2) The anticipated price (including options) does not exceed \$5.5 million for manufacturing and \$3 million for all others.
 - (3) The award can be made at a fair and reasonable price.
- A Justification and Approval is required IAW 6.302-5.

Small Business Subcontracting Program



- **Subcontracting Plans** are required from all other than small businesses for acquisitions or contract modifications, that are expected to exceed \$550,000 (1,000,000 for construction) and that has subcontracting possibilities. If the selected firm fails to submit a plan within the time limit prescribed by the contracting officer, the firm will be ineligible for awards.
 - Each plan shall have an acceptable goal for:
 - Small Business
 - SDB
 - WOSB
 - SDVOSB
 - VOSB
 - HUBZone
- ** Contractors are required to submit a SF 294 to the Contracting Officer on a semi-annual base for reporting purposes.**

Fiscal Year 2009 Subcontracting Goals



- Small Business 23%
- HUBZone 3%
- WOSB 5%
- SDB 5%
- SDVOSB/VOSB 3%

Current Issues



- Delex Systems, Inc. (B-400403) GAO ruled that the “rule of two” applies to competition for task and delivery orders under multiple-award contracts.
- Rothe Development Corporation vs. Department of Defense: Court ruled that the price preference for Small Disadvantage Business was unconstitutional. DOD has issued preliminary guidance to cease the use 10 USC 2323.
- International Program Group, Inc. (B-400278: B-400308) GAO ruled that HUBZone shall be utilized before a small business set-aside.

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QUESTIONS?